

**Koch Supply and Trading LP
St. James Terminal
St. James, St. James Parish, Louisiana
Agency Interest Number: 36538**

**Louisiana Department of Environmental Quality (LDEQ)
Office of Environmental Services**

STATEMENT OF BASIS

**Koch Supply and Trading LP
St. James Terminal
St. James, St. James Parish, Louisiana
Agency Interest Number: 36538
Activity Number: PER20030001
Proposed Permit Number: 2560-00013-V2**

I. APPLICANT

Company:
Koch Supply & Trading LP
7167 Koch Rd
St. James, Louisiana 70086

Facility:
Koch Supply and Trading LP
7167 Koch Rd
St. James, St. James Parish, Louisiana
Approximate UTM coordinates are 707.50 kilometers East and 3323.5 kilometers North, Zone 15

II. FACILITY AND CURRENT PERMIT STATUS

Crude oil is delivered to the St. James facility by barges, ships, pipelines, and trucks where it is stored until it is shipped out by barges, ships, and pipelines.

St. James Terminal is a designated Part 70 source. The St. James Terminal currently operates under Permit No. 2560-00013-V1, issued February 20, 2003 and compliance order AE-CN-03-0325A dated October 28, 2005.

III. PROPOSED PROJECT/PERMIT INFORMATION

Application

A permit application was submitted on January 29, 2003 requesting a Part 70 operating permit for the St. James Terminal. The application was subsequently revised on March 30, 2004. Additional information dated October 14, 2005, December 21, 2005, and February 15, 2006 was also submitted.

**Koch Supply and Trading LP
St. James Terminal
St. James, St. James Parish, Louisiana
Agency Interest Number: 36538**

Project

Koch is exiting the ammonia business. This permit removes the ammonia product loading points, TTL-1, RL-1, and BL-1. Also, Tank 29, which was never constructed, and Tank 28 are removed from the permit. Koch proposes to cap VOC emissions from all tanks to achieve operating flexibility. All toxics will be capped at less than 9.5 tpy each and less than 23.75 tpy total. Koch is also permitting historical tank landings that were previously not included.

Proposed Permit

Permit 2560-00013-V2 will be the renewal of Part 70 operating permit 2560-00013-V1 for the St. James Terminal.

Permitted Air Emissions

Estimated emissions in tons per year are as follows:

Pollutant	Before	After	Change
PM ₁₀	2.19	10.71	+8.52
SO ₂	0.34	0.34	-
NO _x	23.15	17.63	-5.52
CO	5.65	12.40	+6.75
VOC	198.44	272.86	+74.42*

* 34.32 tpy actual increase; 40.10 tpy reconciliation

IV. REGULATORY ANALYSIS

The applicability of the appropriate regulations is straightforward and provided in the Specific Requirements section of the proposed permit. Similarly, the Monitoring, Reporting and Recordkeeping necessary to demonstrate compliance with the applicable terms, conditions and standards are also provided in the Specific Requirements section of the proposed permit.

**Koch Supply and Trading LP
St. James Terminal
St. James, St. James Parish, Louisiana
Agency Interest Number: 36538**

Applicability and Exemptions of Selected Subject Items

ID No.	Requirement	Note
Plant-wide	Emission Standards for Sulfur Dioxide Continuous Emissions Monitoring [LAC 33:III.1511.A] Emission Standards for Sulfur Dioxide Recordkeeping and Reporting [LAC 33:III.1513]	EXEMPT. Units emit less than 250 tons of SO ₂ per year. Recordkeeping required to demonstrate exemption.
	Comprehensive Toxic Air Pollutant Emission Control Program [LAC 33:III.Chapter 51]	DOES NOT APPLY. Facility is a minor source of toxic air pollutants.
	Chemical Accident Prevention and Minimization of Consequences [LAC 33:III.Chapter 59]	DOES NOT APPLY. No chemicals exceed threshold quantities.
	Chemical Accident Prevention Provisions [40 CFR 68]	DOES NOT APPLY. No chemicals exceed threshold quantities.
	NESHAP Subpart EEEE- Standards for Organic Liquid Distribution [40 CFR Part 63.2330]	DOES NOT APPLY. Facility is not a major source of hazardous air pollutants.
EQTS 3, 10-12, 16-17, and 21-22 Tank 1, 2, 3, 4, 5, 6, 7 and 13	NSPS Subpart Ka – Standards of Performance for Storage Vessels for Petroleum liquids for Which Construction, Reconstruction, or Modification Commences after May 18, 1978 and Prior to July 23, 1984. [40 CFR 60.110a]	DOES NOT APPLY. Tanks constructed before May 1978.
	NSPS Subpart Kb – Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels for Which Construction, Reconstruction, or Modification Commenced after July 23, 1984. [40 CFR 60.110b]	EXEMPT. Tanks constructed before May 1978.
EQT 8 Marine Loading 1	Marine Vapor Recovery [LAC 33:III.2108]	DOES NOT APPLY. VOC emissions less than 100 tpy as per federally enforceable condition.
EQT 9 Marine Loading 2	Marine Vapor Recovery [LAC 33:III.2108]	DOES NOT APPLY. VOC emissions less than 100 tpy as per federally enforceable condition.
	NESHAP Subpart Y- Standards for Marine Tank Vessel Loading Operations [40 CFR 63.560]	DOES NOT APPLY. Vapor pressures less than 1.5 psia.

Koch Supply and Trading LP
St. James Terminal
St. James, St. James Parish, Louisiana
Agency Interest Number: 36538

ID No.	Requirement	Note
EQT 13 Tank 25	NSPS Subpart K – Standards of Performance for Storage Vessels for Which Construction, Reconstruction, or Modification Commences after June 11, 1973 and Prior to May 19, 1978. [40 CFR 60.110]	DOES NOT APPLY. Tank reconstructed after July 1984.
	NSPS Subpart Ka – Standards of Performance for Storage Vessels for Petroleum liquids for Which Construction, Reconstruction, or Modification Commences after May 18, 1978 and Prior to July 23, 1984. [40 CFR 60.110a]	DOES NOT APPLY. Tank reconstructed after July 1984.
EQT 14 Tank 26	Storage of Volatile Organic Compounds [LAC 33:III.2103.B]	DOES NOT APPLY. Vapor pressures less than 1.5 psia.
	NSPS Subpart Ka – Standards of Performance for Storage Vessels for Petroleum liquids for Which Construction, Reconstruction, or Modification Commences after May 18, 1978 and Prior to July 23, 1984. [40 CFR 60.110a]	DOES NOT APPLY. Tank constructed before May 1978.
	NSPS Subpart Kb – Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels for Which Construction, Reconstruction, or Modification Commenced after July 23, 1984. [40 CFR 60.110b]	EXEMPT. Tank constructed before May 1978.
EQT 15 Tank 27	NSPS Subpart K – Standards of Performance for Storage Vessels for Which Construction, Reconstruction, or Modification Commences after June 11, 1973 and Prior to May 19, 1978. [40 CFR 60.110]	DOES NOT APPLY. Tank reconstructed 1983.
	NSPS Subpart Kb – Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels for Which Construction, Reconstruction, or Modification Commenced after July 23, 1984. [40 CFR 60.110b]	EXEMPT. Tank reconstructed before 1984.
EQTS 18 -20 Tanks 413, 430, and 463	NSPS Subpart K – Standards of Performance for Storage Vessels for Which Construction, Reconstruction, or Modification Commences after June 11, 1973 and Prior to May 19, 1978. [40 CFR 60.110]	DOES NOT APPLY. Tanks constructed prior to June 1973.
	NSPS Subpart Ka – Standards of Performance for Storage Vessels for Petroleum liquids for Which Construction, Reconstruction, or Modification Commences after May 18, 1978 and Prior to July 23, 1984. [40 CFR 60.110a]	DOES NOT APPLY. Tanks constructed prior to June 1973.

**Koch Supply and Trading LP
St. James Terminal
St. James, St. James Parish, Louisiana
Agency Interest Number: 36538**

ID No.	Requirement	Note
EQTS 18 -20 Tanks 413, 430, and 463	NSPS Subpart Kb – Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels for Which Construction, Reconstruction, or Modification Commenced after July 23, 1984. [40 CFR 60.110b])	EXEMPT. Tanks constructed prior to June 1973.
EQT 23 Tank 8	Storage of Volatile Organic Compounds [LAC 33:III.2103.B]	DOES NOT APPLY. Vapor pressure less than 1.5 psia.
	NSPS Subpart K – Standards of Performance for Storage Vessels for Which Construction, Reconstruction, or Modification Commences after June 11, 1973 and Prior to May 19, 1978. [40 CFR 60.110]	DOES NOT APPLY. Tank reconstructed 1998.
	NSPS Subpart Ka – Standards of Performance for Storage Vessels for Petroleum liquids for Which Construction, Reconstruction, or Modification Commences after May 18, 1978 and Prior to July 23, 1984. [40 CFR 60.110a]	DOES NOT APPLY. Tank reconstructed 1998.

Prevention of Significant Deterioration/Nonattainment Review

The facility and the changes proposed do not constitute an increase that would meet the definition of Major Modification; therefore, PSD does not apply.

This application permit was reviewed for compliance with 40 CFR 70 and the Louisiana Air Quality Regulations. Prevention of Significant Deterioration (PSD) does not apply. New Source Performance Standards (NSPS) and National Emission Standards for Hazardous Air Pollutants (NESHAP) do apply.

MACT Requirements

The terminal is not a major source of TAPs and is therefore not subject to MACT under LAC 33:III.5109.A.

Air Quality Analysis

Impact on air quality from the emissions of the facility is below the National Ambient Air Quality Standards (NAAQS) and the Louisiana Ambient Air Standards (AAS) beyond industrial property.

General Condition XVII Activities

The facility will comply with the applicable General Condition XVII Activities emissions as required by the operating permit rule. However, General Condition XVII Activities are not subject to testing, monitoring, reporting or recordkeeping requirements. For a list of approved General Condition XVII Activities, refer to the Section VIII – General Condition XVII Activities of the proposed permit.

**Koch Supply and Trading LP
St. James Terminal
St. James, St. James Parish, Louisiana
Agency Interest Number: 36538**

Insignificant Activities

All Insignificant Activities are authorized under LAC 33:III.501.B.5. For a list of approved Insignificant Activities, refer to the Section IX – Insignificant Activities of the proposed permit.

V. PERMIT SHIELD

A permit shield is not a component of the draft permit.

VI. PERIODIC MONITORING

Monitoring of Marine Loading VOCs is required to ensure that emissions comply with the limit taken to avoid applicability of LAC 33:III.2108. Monitoring of facility-wide HAPs is required in order to ensure that emissions comply with limits taken to avoid applicability of NESHAP EEEE regulations. Also monitoring of VOC emissions from all tanks is required to ensure compliance with the limit taken to allow flexibility in tank operations.

VII. GLOSSARY

Carbon Monoxide (CO) – A colorless, odorless gas, which is an oxide of carbon.

Maximum Achievable Control Technology (MACT) – The maximum degree of reduction in emissions of each air pollutant subject to LAC 33:III.Chapter 51 (including a prohibition on such emissions, where achievable) that the administrative authority, upon review of submitted MACT compliance plans and other relevant information and taking into consideration the cost of achieving such emission reduction, as well as any non-air-quality health and environmental impacts and energy requirements, determines is achievable through application of measures, processes, methods, systems, or techniques.

Hydrogen Sulfide (H₂S) – A colorless inflammable gas having the characteristic odor of rotten eggs, and found in many mineral springs. It is produced by the reaction of acids on metallic sulfides, and is an important chemical reagent.

New Source Review (NSR) – A preconstruction review and permitting program applicable to new or modified major stationary sources of air pollutants regulated under the Clean Air Act (CAA). NSR is required by Parts C (“Prevention of Significant Deterioration of Air Quality”) and D (“Nonattainment New Source Review”).

Nitrogen Oxides (NO_x) – Compounds whose molecules consist of nitrogen and oxygen.

Organic Compound – Any compound of carbon and another element. Examples: Methane (CH₄), Ethane (C₂H₆), Carbon Disulfide (CS₂)

**Koch Supply and Trading LP
St. James Terminal
St. James, St. James Parish, Louisiana
Agency Interest Number: 36538**

Part 70 Operating Permit – Also referred to as a Title V permit, required for major sources as defined in 40 CFR 70 and LAC 33:III.507. Major sources include, but are not limited to, sources which have the potential to emit: ≥ 10 tons per year of any toxic air pollutant; ≥ 25 tons of total toxic air pollutants; and ≥ 100 tons per year of regulated pollutants (unless regulated solely under 112(r) of the Clean Air Act) (25 tons per year for sources in non-attainment parishes).

PM₁₀ – Particulate matter with an aerodynamic diameter less than or equal to a nominal 10 micrometers as measured by the method in Title 40, Code of Federal Regulations, Part 50, Appendix J.

Potential to Emit (PTE) – The maximum capacity of a stationary source to emit any air pollutant under its physical and operational design.

Prevention of Significant Deterioration (PSD) – A New Source Review permitting program for major sources in geographic areas that meet the National Ambient Air Quality Standards (NAAQS) at 40 CFR Part 50. PSD requirements are designed to ensure that the air quality in attainment areas will not degrade.

Sulfur Dioxide (SO₂) – An oxide of sulfur.

Sulfuric Acid (H₂SO₄) – A highly corrosive, dense oily liquid. It is a regulated toxic air pollutant under LAC 33:III.Chapter 51.

Title V Permit – See Part 70 Operating Permit.

Volatile Organic Compound (VOC) – Any organic compound, which participates in atmospheric photochemical reactions; that is, any organic compound other than those, which the administrator of the U.S. Environmental Protection Agency designates as having negligible photochemical reactivity.



2005 DEC 29 AM 8:48

COPIES

KOCH PIPELINE COMPANY LP

PR20030001

December 21, 2005

Ms. Cheryl Nolan
Office of Environmental Services
Air Permits Division
Louisiana Department of Environmental Quality
602 N. Fifth Street
Baton Rouge, LA 70802

**Re: Title V Air Permit Renewal/Modification Application
Supplemental Information
Koch Pipeline Company, L.P.
St. James Terminal
Agency Interest No. 36538
Part 70 Operating Permit No. 2560-00013-V1
PPM Project No. 530501 - PMOD**

TRANSMITTAL LETTER

Dear Ms. Nolan:

Koch Pipeline Co., L.P. (KPL) is submitting an original and two copies of the referenced supplemental information regarding the pending Title V Air Permit Renewal/Modification Application for the St. James Terminal facility located in St. James, Louisiana. This renewal/modification was initially submitted on January 29, 2003 and was revised in a submittal dated March 30, 2004. Additionally, supplemental information was provided in a submittal dated October 14, 2005.

Within this supplemental information submittal, we are proposing to remove all ammonia products and related emission sources from the pending application. KPL will no longer handle these products and will be exiting the ammonia-products business. The revisions to the pending application made within this submittal are as follows:

- Ammonia Products Tanks (TK-28 and TK-29) will be removed from the pending application. Note that TK-28 is currently permitted and TK-29 was proposed to be permitted in ammonia-product service in the pending application. Since we will be exiting the ammonia-products business we will not be permitting either of those tanks. This revision will also remove the proposed emissions cap NH_3 TK-CAP.
- Ammonia Products Loading (TTL-1, RL-1, and BL-1) will be removed from the pending application. This revision will also remove the proposed emissions cap NH_3 L-CAP.

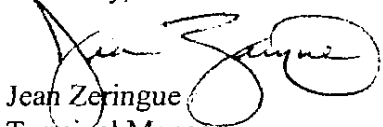
Koch currently operates under Air Permit No. 2560-00013-V1, issued on February 20, 2003. This permit includes ammonia-product related activities; however, we are requesting within this submittal to remove all ammonia-product related activities from the permit. To ensure that we adhere to all permit limits in accordance with the new permit to be issued, we are requesting that the new air permit contain a statement clarifying that, "Although ammonia-product related activities are no longer addressed within permit 2560-00013-V2, Koch will be allowed to continue all ammonia-product related activities for a period of no longer than one year while the facility is in the process of exiting the ammonia-product business. Any emissions associated with ammonia-product activities conducted within one year after the issuance of permit 2560-00013-V2 will be subject to the permit limits previously contained in permit 2560-00013-V1 until such time that Koch completes the process of exiting the ammonia-product business."

Revised Application for Approval of Emissions of Air Pollutants is attached as Exhibit 1. Revised Emission Inventory Questionnaire (EIQ) for Air Pollutants forms are attached as Exhibit 2.

We will provide the LDEQ with the revised Air Permits Data Upload (APDU) information electronically shortly after submittal of this document in order to expedite the application process.

Should you have any questions or concerns, please feel free to contact Bobby Hill at (361) 242-5564 or me at (225) 265-2112, ext 226.

Sincerely,


Jean Zeringue
Terminal Manager

Enclosures as stated

Cc: Mr. David Neleigh (6PD-R)
US Environmental Protection Agency
Region 6, Air Permitting Section
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733

Mr. Bobby Hill
Environmental Compliance Manager
Koch Pipeline Company, L.P.
8606 IH-37
Corpus Christi, TX 78409

Ms. Vennetta Hayes
Air Permits Division
Louisiana Department of Environmental Quality
602 N. Fifth Street
Baton Rouge, LA 70802

EXHIBIT 1

**REVISED APPLICATION FOR APPROVAL OF EMISSIONS OF AIR
POLLUTANTS**